

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE ENROLLED ACT No. 2042

AN ACT to amend the Indiana Code concerning natural and cultural resources.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 14-37-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. Each blanket bond for wells created, modified, or acquired during the duration of a bond that was accepted by the commission before March 11, 1971, **must be replaced by a new blanket bond in the amount of thirty thousand dollars (\$30,000) before January 2, 2002. The new replacement bond** remains in effect until:

(1) the:

(A) owner or operator plugs and abandons each well covered under the blanket bond in accordance with:

(i) this article; and

(ii) rules adopted under this article; and

(B) bond is released by the department; or

(2) a substitute bond is accepted by the department for each well secured by the blanket bond.

SECTION 2. IC 14-37-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 15. A person:

(1) who has no obligation to plug, abandon, replug, or repair a well; but

(2) who does so under section 12, 13, 14, or 16 of this chapter; may recover in a civil action against any responsible person the reasonable expenses of the remedial action **or may apply to the oil**



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and gas environmental fund under IC 14-37-10 to recover the reasonable expenses of the remedial action.

SECTION 3. IC 14-37-10-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. The following shall be deposited in the fund:

- (1) Permit fees received under IC 14-37-4-6.
- (2) Annual fees for Class II wells received under IC 14-37-5.
- (3) Accrued interest and other investment earnings of the fund.
- (4) Civil penalties collected under IC 14-37-13-3.
- (5) Gifts, grants, donations, or appropriations from any source.**

SECTION 4. IC 14-37-10-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) Money paid into the fund shall be appropriated for the following purposes:

- (1) To supplement the cost required to abandon a well that has had a permit revoked under IC 14-37-13-1.
- (2) To cover the costs of remedial plugging and repairing of wells under IC 14-37-8, **including the expenses of remedial action under IC 14-37-8-15.**
- (3) To cover the cost to:
 - (A) mitigate environmental damage; or
 - (B) protect public safety against harm;
 caused by a well regulated under this article.

(b) The director may make expenditures from the fund for emergency purposes under section 6 of this chapter without the prior approval of the budget agency or the governor. An expenditure under this subsection may not exceed fifty thousand dollars (\$50,000).

(c) The director may establish a program to reimburse an applicant for the reasonable expenses of remedial action incurred under IC 14-37-8-15. The director may make expenditures from the fund for this purpose and may establish any necessary guidelines and procedures to administer the program.

SECTION 5. IC 14-37-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) If a permit is revoked under this chapter, the commission may do either of the following:

- (1) Order the owner or operator to plug and abandon the well.
- (2) Plug and abandon the well.

(b) The revocation of a permit under this chapter does not relieve the owner or operator of the well to which the permit relates of the responsibility imposed by IC 14-37-8 for the plugging and abandonment of the well.



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(c) If the commission elects to plug and abandon a well under subsection (a)(2), the commission may apply the bond or other security provided under:

- (1) IC 14-37-6; or
- (2) IC 13-8-8 (before its repeal);

to the costs of plugging and abandoning the well.

(d) If the commission elects to plug and abandon a well under subsection (a)(2), the owner or operator of the well remains liable for the costs of plugging and abandoning the well.

(e) The state has a lien on:

- (1) the casing and all equipment located on or removed from the well site; ~~and~~
- (2) the leasehold of the land upon which the well is located; **and**
- (3) any crude oil stored on the well site or recovered at the time the well is plugged and abandoned;**

to secure the cost of plugging and abandoning. **Except as provided in subsection (f),** the lien may be foreclosed on order of the commission in the name of the state of Indiana by the attorney general in a circuit or superior court having jurisdiction in any county where the land is located.

(f) If the commission elects to plug and abandon a well under subsection (a)(2), the commission may also enter an order authorizing its agents, employees, or contractors to dispose of:

- (1) casing and all equipment located on or removed from the well site; and**
- (2) any crude oil stored on the well site or recovered;**

at the time the well is plugged and abandoned. An inventory of the casing and all equipment and any crude oil shall be made, and the salvage or other reasonable market value of the casing and all equipment and any crude oil shall be applied as a credit to offset the actual cost incurred by the commission to plug and abandon the well.

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Approved: _____

Governor of the State of Indiana

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HEA 2042 — Concur+

